

INFORMATION, TECHNOLOGY, AND GENERAL SERVICES COMMITTEE REPORT  
relative to the First Construction Projects Report (CPR) for Fiscal Year (FY) 2020-21.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. AUTHORIZE the Controller to transfer \$16,026,681 between departments and funds as specified in Attachment 1 of the City Administrative Officer (CAO) report dated August 14, 2020, attached to Council File (CF) 20-1021.
2. AUTHORIZE the Controller to transfer \$1,734,265 between accounts within departments and funds as specified in Attachment 2 of said CAO report.
3. AUTHORIZE the Controller to appropriate \$2,215,358 between accounts within departments and funds as specified in Attachment 3 of said CAO report.
4. AUTHORIZE the Controller to transfer \$621,458 between departments and funds from General Obligation Bond (GOB) funds as specified in Attachment 4 of said CAO report.
5. AUTHORIZE the Controller to reimburse the General Fund with Municipal Improvements Corporation of Los Angeles (MICLA) or GOB funds in accordance with Recommendation Nos. 1, 2, and 4, upon CAO approval and receipt of requesting department's labor services, construction materials and supplies invoices for completed work, including the department's labor services documentation that must contain an hourly breakdown with task codes detailing the completed MICLA eligible work, relative to the respective departmental accounts designated for the following projects:

North Valley (Sunland Tujunga) City Hall Renovation (Item A)

Historic Filipinotown Eastern Gateway Project (Item B)

High Voltage Conversion (Item N)

Field Operations Division Electric Panel Upgrade and Generator (Item O)

Asphalt Plant II Project (Item R)

Bridge Improvement Program (BIP) Staff Appropriations (Item YY)

Los Angeles Fire Department (LAFD) Capital Improvements (Item ZZ)

Proposition F - Animal Shelter Facilities (Item AAA)

6. AUTHORIZE the CAO to make technical corrections, as necessary, to the transactions authorized through said CAO report, as required to implement the Mayor and Council's intentions.
7. AUTHORIZE the Convention and Tourism Development (CTD), and/or the Office of the CAO, to reimburse funds up to \$3,802,000 from the MICLA Commercial Paper (CP) Program [Los Angeles Convention Center (LACC)] to vendors such as AEG Management LACC, LLC, as appropriate, to pay for capital improvement projects at the LACC, referenced in said CAO report as the MICLA LACC Reauthorization for LACC Project (Item W).

8. REAPPROVE the use of up to a total of \$4,093,238 in MICLA financing included in the FY 2017-18 Adopted Budget for Capital Improvement Projects as indicated below to authorize continued use of these funds for an additional one-year beyond the City's MICLA Three-Year Policy, referenced in said CAO report as the Reauthorization of Expired MICLA Funds (Item WW):

\$2,500,000 - City Hall East Electrical System Upgrades and P4 Improvement  
 \$934,448 - Diesel Exhaust Capturing System (LAFD)  
 \$658,790 - Electrical Vehicle Chargers (LAPD)

9. RESCIND the prior Controller's instructions approved by the Council relative to the transfer of \$452,000 in capital fund authorized for the Historic Filipinotown Eastern Gateway Project (C.F. 20-0399); and, AUTHORIZE the Controller to implement the following replacement instructions, to transfer funding totaling \$452,000 for the Historic Filipinotown Eastern Gateway Project (Item B), as follows:

<u>Account</u>	<u>Title</u>	<u>Amount</u>
From: 52/14/14186R	Public Works - Street Services	\$152,000
To: 57Q/50/50MB17	Historic Filipinotown Eastern Gateway Project	\$152,000
From: 298/50/50RBRC	BIP Glendale/Hyperion (Ph 1) Red Car Pedestrian Bridge	\$300,000
To: 298/50/50SBFT	Historic Filipinotown Eastern Gateway Project	\$300,000

10. RESCIND the prior Controller's instructions previously approved by the Council as part of the FY 2019-20 Fourth CPR relative to the transfer of \$88,186 in capital fund authorized for the Asphalt Plant II Project (CF 19-0926-S3, Item No. Z, Attachment 1) for the Asphalt Plant Project (Item R).
11. REAUTHORIZE the use of \$510,000 in MICLA financing for the installation of a panel upgrade and generator at the Bureau of Street Lighting (BSL) Field Operations Division approved in the FY 2020-21 City Budget; and, AUTHORIZE the Department of General Services (GSD) to establish an appropriation to purchase this equipment for the MICLA Reauthorization for Panel Upgrades and Generator (Item L).
12. AUTHORIZE the Bureau of Engineering (BOE) to increase the Main Street Complete Streets Project by \$1,570,000 from \$13,900,000 to \$15,470,000 to provide for additional scope elements for the design and construction of access ramps and street resurfacing for the Complete Streets Project - Main Street (Item E).
13. AUTHORIZE the BOE to decrease the Venice Boulevard Complete Street Budget by \$3,052,400 from \$13,600,000 to \$10,547,600 due to project cost savings.
14. REAUTHORIZE a total of \$101,909,634 in MICLA financing included in the FY 2020-21 Adopted Budget for Municipal Facilities projects (\$84,501,034) and annual capital equipment (\$17,408,600), as reflected in Attachment 6 of said CAO report for the Council Authorization of FY 2020-21 MICLA Financing (Item RR).

15. AUTHORIZE the repurposing of \$593,000 in prior MICLA Los Angeles Convention Center Commercial Paper (MICLA LACC CP) Program previously authorized for the LACC West Hall Elevator project to a LACC Mechanical Test Panel project to allow for the new project scope to address health and safety concerns at the facility for the LACC Mechanical Test Panel (Item T).
16. AUTHORIZE the repurposing of \$45,000 in prior MICLA LACC CP Program previously authorized for the LACC Room Lighting Dimming Control System project to Phase 1 of a new LACC Metal Roof project to address water intrusion at the facility for the LACC Metal Roof Project - Phase I (Item U).
17. REAUTHORIZE the use of up to a total of \$1,451,000 in prior MICLA LACC CP included in the FY 2016-17 and FY 2017-18 Adopted Budget as indicated below to authorize continued use of these funds for an additional one-year beyond the City's MICLA Three-Year Policy for the MICLA LACC Reauthorization for Expired MICLA LACC Authority (Item V):

<u>Amount</u>	<u>Title</u>	<u>FY</u>
\$ 75,000	Carbon Monoxide Sensors	2016-17
\$476,000	Kentia Hall Lighting	2016-17
\$300,000	Dimming Control System	2016-17
\$300,000	Escalator and Elevator Repair/Modernization Program	2016-17
\$300,000	Escalator and Elevator Repair/Modernization Program	2017-18

Fiscal Impact Statement: The CAO reports that transfers, appropriations, and expenditure authority totaling \$20.59 million are recommended in said CAO report. Of this amount, \$4.99 million is for transfers, appropriations, and expenditure authority for the Bureau of Engineering (BOE), \$4.92 million for the GSD, and \$10.68 million for other City funds. All transfers and appropriations are based on existing funds, reimbursements, or revenues. There is no immediate General Fund impact for operations and maintenance costs as a result of these recommendations (Attachment No. 5 of said CAO report).

Debt Impact Statement: The CAO reports that issuance of MICLA debt is a General Fund obligation. The issuance of MICLA for real property projects included in said CAO report that were approved in the FY 2020-21 City Budget would cause the City to borrow approximately \$88,813,034 [\$84,501,034 for various City projects (Item RR), \$3,802,000 for LACC Projects (Item W), and \$510,000 for BSL Panel Upgrades and Generator (Item L)] at an approximate 5.5 percent interest rate over 20 years. The issuance of MICLA for capital equipment acquisitions included in said CAO report for various City departments (Item RR) that were approved in the FY 2020-21 City Budget would cause the City to borrow approximately \$17,408,600 at an approximate 5.5 percent interest rate over ten years. The total combined debt service for the real property projects and capital equipment acquisitions is estimated at \$171,400,000, including interest of approximately \$65,200,000. During the life of the bonds, the estimated average annual debt service is \$9,730,000 over the first ten years and \$7,400,000 over the subsequent ten years.

The issuance of MICLA for the reauthorized projects with expired MICLA authority would cause

the City to borrow approximately \$5,544,239 [\$2,500,000 for the City Hall East Electrical System Upgrades and P4 Improvement, \$934,448 for the Diesel Exhaust Capturing Systems, \$658,790 for LAPD Electric Vehicle Chargers (Item WW), and \$1,451,000 for LACC Projects (Item V)] at an approximate 5.5 percent interest rate over 20 years. The total estimated debt service for these projects is \$9,280,000, including interest of approximately \$3,730,000. During the life of the bonds, the estimated average annual debt service is \$464,000 over 20 years. Actual interest rates may differ as rates are dependent on market conditions at the time of issuance. The interest rates cannot be fully predicted in the future.

In accordance with the City's Debt Management Policy, the City has an established debt ceiling to guide in evaluating the affordability for future debt. The debt ceiling for non-voted direct debt as a percentage of General Fund revenues is 6.0 percent. The City is currently at 3.58 percent for FY 2020-21. The issuance of the debt for these projects will not impact the City's debt capacity for non-voted approved debt as the issuance of debt for the projects is already included in the debt ratio.

Community Impact Statement: None submitted.

**(Budget and Finance Committee waived consideration of the above matter)**

#### SUMMARY

At its regular meeting held on August 26, 2020, the Information, Technology, and General Services Committee considered the CAO report dated August 14, 2020 relative to the First CPR for FY 2020-21. The recommended actions included in the First CPR for FY 2020-21 reflect the needed authorities to provide sufficient cash flow for scheduled acquisition or construction activities, offset funding shortfalls, or provide other implementing authorities needed to complete authorized projects utilizing capital funds that include Capital Improvement Expenditure Program, Special Fund monies, grant awards, and MICLA funds. After providing an opportunity for public comment, the Committee move to approve the recommendations contained in the subject CAO report, as detailed above. This matter is now transmitted to the Council for its consideration.

Respectfully Submitted,

INFORMATION, TECHNOLOGY, AND GENERAL SERVICES COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
LEE:	YES
BLUMENFIELD:	YES
RODRIGUEZ:	ABSENT

AXB  
20-1021\_rpt\_ITGS\_08-26-20

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**

